

ANNOUNCEMENT KCEC1
INVITATION NO. 3



United States
Department of
Agriculture

Farm
Service
Agency

Kansas City Commodity Office
Post Office Box 419205
Kansas City, Missouri 64141

TELEGRAM/TELEX/TWX 467094
EASYLINK 62140250
FAX NO. (816) 926-6381

Dated: May 24, 2001

ANNOUNCEMENT KCEC1, INVITATION NO. 3
EXCHANGE OF CCC-OWNED SUGAR FOR LIQUID SUCROSE
FOR USE IN DOMESTIC PROGRAMS

The Commodity Credit Corporation (CCC) invites offers, subject to the terms and conditions of Announcement KCEC1, to exchange sugar stocks for delivery of liquid sucrose (STORAGE WILL BE PAID THROUGH THE DATE OF WIRE RELEASE, BUT NO LATER THAN THE DATE LISTED BELOW IN EACH OFFER):

	<u>Delivery Location</u>	<u>Shipment Period</u>	<u>Storage (No Later Than Date)</u>	<u>Pounds of Liquid Sucrose</u>
OFFER 1:	Krier Foods, Inc. Random Lake, WI Contact: Steve Ihrcke Phone: 414-355-5400 ext. 253 (Choose lots from Exhibit A)	June 5 - 30, 2001 July 1 - 31, 2001 Offer 1 - Total Pounds of Liquid Sucrose	July 15, 2001 August 15, 2001 	197,766 109,870 307,636
OFFER 2:	Honee Bear Canning Lawton, MI Contact: Ron Armstrong Phone: 616-624-4681 (Choose lots from Exhibit B)	June 5 - 30, 2001 July 1 - 31, 2001 Offer 2 - Total Pounds of Liquid Sucrose	July 15, 2001 August 15, 2001 	250,400 125,200 375,600
OFFER 3:	Cherry Central, Inc. Ludington, MI Contact: Dave Barger Phone: 231-946-1860 (Choose lots from Exhibit C)	June 5 - 30, 2001 July 1 - 31, 2001 Offer 3 - Total Pounds of Liquid Sucrose	July 15, 2001 August 15, 2001 	440,460 122,350 562,810
OFFER 4:	Hi Country Corona, Inc. Corona, CA Contact: Pat Kelly Phone: 509-697-7292 ext.108 (Choose lots from Exhibit D)	June 5 - 30, 2001 July 1 - 31, 2001 Offer 4 - Total Pounds of Liquid Sucrose	July 15, 2001 August 15, 2001 	25,040 25,040 50,080

OFFER 5:	Northland Cranberries, Inc. Dundee, NY Contact: Bill Warner Phone: 715-424-6636 (Choose lots from Exhibit E)	June 5 - 30, 2001 July 1 - 31, 2001	July 15, 2001 August 15, 2001	48,940 48,940
OFFER 6:	Northland Cranberries, Inc. Mountain Home, NC Contact: Bill Warner Phone: 715-424-6636 (Choose lots from Exhibit F)	June 5 - 30, 2001 July 1 - 31, 2001	July 15, 2001 August 15, 2001	24,470 48,940 73,410
OFFER 7:	Veryfine Products Littleton, MA Contact: Mike Griffin Phone: 978-486-3522 (Choose lots from Exhibit G)	June 5 - 30, 2001 July 1 - 31, 2001	July 15, 2001 August 15, 2001	356,809 470,163 826,972
OFFER 8:	Roscoe Allen Corp. Random Lake, WI Contact: D. W. Harper Phone: 912-468-9540 (Choose lots from Exhibit H)	June 5 - 30, 2001 July 1 - 31, 2001	July 15, 2001 August 15, 2001	65,922 65,922
OFFER 9:	Cliffstar Corporation Dunkirk, NY Contact: Randy Fox Phone: 716-366-1459 (Choose lots from Exhibit I)	June 5 - 30, 2001 July 1 - 31, 2001	July 15, 2001 August 15, 2001	1,247,006 40,226 1,287,232

OFFERS DUE: 2:00 p.m., CDT, May 30, 2001

CCC will telephone notice of acceptance by: 3:00 p.m., CDT, May 31, 2001.

Contractors will offer for the sugar in the attached exhibits, designating the specific lots in the exhibit. Successful contractors will receive that sugar in exchange for the quantity of liquid sucrose awarded in each exhibit. Contractors must offer the full quantity of liquid sucrose at a specific location. (Example - Offer 1: 307,636 total pounds of liquid sucrose.)

In formulating the offer, the offeror should note that CCC-owned sugar will be received by the contractor instore, at storage locations specified in this Invitation under each exhibit. Delivery of the sugar by CCC shall be instore at the location specified in the contract. Contractor is entitled to the Processed Commodity Storage Agreement (PCSA) storage rate in effect at the time of wire release for a period of 60 days. Any difference between the quality and quantity surrendered by CCC and that actually delivered to the contractor by the storing warehouse shall be settled between the contractor and the storing warehouse.

Interested parties are advised to check with the storing warehouse regarding scheduling, quality, and location of refined or raw sugar. Interested parties are strongly urged to establish, prior to making an offer, the premium and discount schedules in case of quality or location discrepancies. Requesters must pay applicable charges to the storing

warehouse. Commodity delivered by contractor may be processed from the sugar supplied by CCC or from other sugar produced in the United States, as specified in the announcement.

Storage for the account of CCC shall be through the date of transfer of title as evidenced on the wire release which will occur when all proper documentation is received for each shipment period, BUT NO LATER THAN 15 BUSINESS DAYS AFTER THE LAST DAY OF THE SHIPMENT PERIOD LISTED IN THE OFFER. The contractor shall be responsible for all charges thereafter.

Exhibits A - I contain a list of PCSA warehouse names and locations together with kind, quality and quantity of CCC-owned sugar to be exchanged.

The contractor will bid for a quantity of sugar from the attached exhibits, designating the lot, locations and quantity in exchange for the quantity of liquid sucrose specified in the offer. In formulating the offer, the offeror should note that CCC-owned sugar will be received by the contractor instore, at storage locations specified in this Invitation under the attached exhibits. The contractor must take complete lots with only one partial.

The content of an offer will include quantity and location contained in the exhibit in which the offeror is bidding. **ONLY ONE EXHIBIT PER OFFER FORM.**

CCC has the option to award less than quantity offered. Each offer will be analyzed independently. No offer will be contingent upon any other offer.

Any actual damages suffered by CCC resulting from any failure or refusal of contractor to perform, shall be for the account of the contractor. Such actual damages shall include, but not be limited to: storage and excess replacement costs.

3. SUBMISSION OF OFFERS

B. Where and When to Submit Offers

- (4) Offers, modification, or withdrawals of offers must be submitted to:

Kansas City Commodity Office
Attn: Bulk Commodities Division Bid Box - Stop 8748
P.O. Box 419205
Kansas City, MO 64141-6205

- (5) Users of the various express delivery services are to address correspondence to:

Kansas City Administrative Office
Attn: Bulk Commodities Division Bid Box - Stop 8748
6501 Beacon Drive
Room G-42A
Kansas City, MO 64133-4676

8. COMMODITY SPECIFICATIONSAdd B. Quality Specifications White Liquid Sucrose

Color	Clear to slightly straw color (35 MAX using USNC MOA 0001)
Percent Solids (BRIX)	67.2 - 67.6 Using refractometer @ 20 degrees Centigrade
Percent Invert	No more than 0.3 using Lane Eynon
Percent Ash	MAX 0.025 using USNC MOA 0005
Ph	6.5 to 8.0 @ 20 degrees Centigrade
Sucrose Percent	No less than 99.8 (dry basis)
Micro Standards	Yeast / 10 grams solid < 10 Mold / 10 grams solid < 10 Mesophiles / 10 grams solid < 100
	Using the National Soft Drink Association (NSDA) testing methods.
Delivery Temperature	Minimum 80 degrees Farenheit / Maximum 120 degrees Farenheit
General	Must comply with all regulations under the Federal Food Drug and Cosmetic Act, and be manufactured in accordance with Current Good Manufacturing Practices. The product shall not have a foreign taste or emit any objectionable odor in dry form or when a 10% solution is acidified to a pH of 2.5 with USP phosphoric acid and allowed to stand for 72 hours.
Density	The weight per gallon at 67.4 brix shall be 11.10 pounds. Weight of solids will be calculated at 7.48 pounds per gallon.

Add C. (1) Quality Assurance

- (a) The contractor must perform the product testing and quality analysis to ensure that the product analysis meets the specifications described in Section 10 B. The results must be evidenced by a Certificate of Analysis. The contractor must retain the Certificates of Analysis and furnish to USDA upon request. Contractors are required to notify KCCO immediately of lots that fail to meet contract requirements. Contractor to provide a copy of Certificate of Analysis with each shipment.
- (b) In the event a quality dispute occurs, CCC will request an independent accredited laboratory analysis be performed to resolve the dispute. The expense of this analysis will be for the account of the contractor.

Add D. Liquidated Damages

Compensation to USDA for Delay in Delivery

Liquidated damages for delay in delivery will be payable in accordance with Article 67 of USDA-1, and will be at the rate of \$0.10 per 100 pounds (net weight) per day.

9. DELIVERY

Add C. Contractor must contact the appropriate processor (listed in the offers) to schedule deliveries within the shipment period.

11. INVOICES FOR PAYMENT

Add E. **Documentation required by CCC must be submitted within 15 business days after each contract shipment period listed in the offer:**

- (1) Bill of Lading for shipment of liquid sucrose.
- (2) Certificate of Analysis
- (3) Delivery receipt at cranberry concentrate plant.

TELEX/TWX - 467094 - Answer Back is USDA CI
Easylink 62140250
Fax No. (816) 926-6381 or (816) 926-6767
Communications Center - Telephone: (816) 823-1012

CCC reserves the right to refuse to consider an offer if the Kansas City Commodity Office does not have adequate information to determine the responsibility of offeror, financially or otherwise. First time CCC bidders, should notify CCC prior to submission of an offer. All offers must be signed. In order to properly consider the offer, the following information must be in the offer:

- Announcement number, Invitation number and Offer number (if applicable)
- Offeror's complete name, address, phone number, facsimile number, and contact name
- Quantity

Retain one copy of the submitted offer form for your use. The envelope must be plainly marked:

"Do Not Open Until the Prescribed Time Per Announcement KCEC1, Invitation No. 3."

If overnight/express service is utilized, the above statement must be printed clearly on the outer express envelope, not the mailing label.

Additional blank copies of original offer form may be obtained from the Kansas City Commodity Office or duplication of attached offer form is permitted.

The time recorded by the Easylink system or facsimile machine in the Kansas City Administrative Office (KCAO) will be used to determine the time of receipt by CCC. OFFERORS ARE RESPONSIBLE FOR THE TIMELY RECEIPT OF OFFERS. No offers, modifications, or withdrawals will be accepted by telephone.

Further information on the Announcement or this Invitation for Offers may be obtained by contacting:

Kansas City Commodity Office
Bulk Commodities Division
6501 Beacon Drive
Kansas City, MO 64133
Telephone (816) 926-6420

Richard G. DeVries
Deputy Director

Enclosure

EXCHANGE OF CCC OWNED SUGAR STOCKS FOR LIQUID SUCROSE

IN ACCORDANCE WITH ANNOUNCEMENT KCEC1, INVITATION NO. 3, DATED MAY 24, 2001, THE
UNDERSIGNED OFFERS THE FOLLOWING:

FIRM NAME _____

ADDRESS _____

CONTACT NAME _____

PHONE NO. _____ FAX NO. _____

OFFER NO. _____ EXHIBIT (One exhibit per offer form) _____

PART ONE - CCC-OWNED SUGAR TO BE DELIVERED (INSTORE) TO OFFEROR:

LOT NO. _____ POUNDS _____ LOCATION _____
(City) (State) (Warehouse Code)

LOT NO. _____ POUNDS _____ LOCATION _____

LOT NO. _____ POUNDS _____ LOCATION _____

TOTAL NET POUNDS _____

PART TWO - CCC RECEIVES LIQUID SUCROSE FROM OFFEROR:

QUANTITY _____ NET POUNDS OF LIQUID SUCROSE

QUALITY _____

DESTINATION _____

SIGNATURE 1/ _____ TITLE _____

1/ BEFORE SIGNING THIS OFFER, SEE ARTICLE 6 OF USDA-1, "SIGNING OF OFFERS".

The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information is 7 CFR, Chapter 14, 1496, Subchapter B and C. The information will be used to assess Bulk Grain Procurement Offers. Furnishing the requested information is required to be a responsive offer. Failure to furnish the requested information will result in a nonresponsive offer. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided.

Federal agencies may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number. Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U. S. Department of Agriculture, Clearance Officer, OIRM (OMB No. 0560-0177), Stop 7630, Washington, D. C. 20250-7630.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D. C. 20250-9410C(h)].

**EXHIBIT A
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>----STORAGE LOCATION----</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2001	BEET	1,000,000	71004	MONITOR SUGAR CO. BAY CITY, MI	MONITOR SUGAR CO. JERRY COLEMAN 517-686-0161
2002	REF CANE	1,000,000	71007	IMPERIAL SUGAR CO. SUGARLAND, TX	IMPERIAL SUGAR CO. PETER CARROTHERS 281-491-9181
2003	BEET	1,000,000	71016	MASON CITY DIST CENTER MASON CITY, IA	UNITED SUGAR CORP. MIKE FISHER 952-896-0410
2004	BEET	1,000,000	71018	AMER. CRYSTAL SUGAR MOORHEAD, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410

EXHIBIT A - TOTAL 4,000,000 POUNDS

**EXHIBIT B
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>----STORAGE LOCATION----</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2005	BEET	500,000	71021	SO. MN. BEET SUGAR COOP. RENVILLE, MN 952-896-0410	UNITED SUGARS CORP. MIKE FISHER
2006	BEET	1,000,000	71012	GATEWAY WAREHOUSE INC. CLEVELAND, OH	THE WESTERN SUGAR CO. GARY ENGLAND 303-813-3528
2007	BEET	1,000,000	71017	UNITED SUGARS CORP. CHASKE, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2008	REF CANE	1,000,000	71034	HOLLY SUGAR HEREFORD, TX	IMPERIAL SUGAR PETER CARROTHERS 281-491-9181

EXHIBIT B - TOTAL 3,500,000 POUNDS

**EXHIBIT C
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>----STORAGE LOCATION----</u> <u>CODE</u>	<u>NAME & ADDRESS</u>	<u>---PCSA CONTRACTOR---</u> <u>NAME, CONTACT & PHONE</u>
2009	BEET	3,000,000	71020	AMER. CRYSTAL SUGAR CO. EAST GRAND FORKS, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2010	BEET	3,000,000	71019	AMER. CRYSTAL SUGAR CO. CROOKSTON, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2011	BEET	2,000,000	71016	MASON CITY DIST CENTER MASON CITY, IA	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2012	REF CANE	1,000,000	71034	HOLLY SUGAR HEREFORD, TX	IMPERIAL SUGAR PETER CARROTHERS 281-491-9181

EXHIBIT C - TOTAL 9,000,000 POUNDS

**EXHIBIT D
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>----STORAGE LOCATION----</u> <u>CODE</u>	<u>NAME & ADDRESS</u>	<u>---PCSA CONTRACTOR---</u> <u>NAME, CONTACT & PHONE</u>
2013	BEET	200,000	71000	IMPERIAL SUGAR CO. TRACY, CA	IMPERIAL SUGAR CO. PETER CARROTHERS 281-491-9181
2014	BEET	200,000	71001	SPRECKLES SUGAR CO. WOODLAND, CA	IMPERIAL SUGAR CO. PETER CARROTHERS 281-491-9181
2015	BEET	200,000	71002	SPRECKLERS SUGAR CO. MENDOTA, CA	IMPERIAL SUGAR CO. PETER CARROTHERS 281-491-9181
2016	BEET	200,000	71046	HAMILTON CITY WHSE. HAMILTON CITY, CA	IMPERIAL SUGAR CO. PETER CARROTHERS 281-491-9181

EXHIBIT D - TOTAL 800,000 POUNDS

**EXHIBIT E
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>---STORAGE LOCATION---</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2017	BEET	500,000	71020	AMER. CRYSTAL SUGAR CO. EAST GRAND FORKS, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2018	BEET	500,000	71019	AMER. CRYSTAL SUGAR CO. CROOKSTON, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2019	BEET	1,000,000	71055	MURPHY WHSE CO. FRIDLEY, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410

EXHIBIT E - TOTAL 2,000,000 POUNDS

**EXHIBIT F
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>---STORAGE LOCATION---</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2020	REF CANE	500,000	71006	SAVANNAH SUGAR REFINERY PORT WENTWORTH, GA	IMPERIAL SUGAR CO. PETER CARROTHERS 281-491-9181
2021	RAW CANE	2,000,000	71071	UNITED STATES SUGAR CORP. CLEWISTON, FL	UNITED STATES SUGAR CORP. KEITH COUSSEAX 863-983-8121 EXT. 2118
2022	RAW CANE	2,000,000	71068	SUGAR CANE GROWERS COOP. BELLE GLADE, FL	SUGAR CANE GROWERS BILL KRAMER 561-996-5556
2023	REF CANE	500,000	71008	COLONIAL SUGAR REFINERY GRAMERCY, LA	IMPERIAL SUGAR PETER CARROTHERS 281-491-9181

EXHIBIT F - TOTAL 5,000,000 POUNDS

**EXHIBIT G
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>---STORAGE LOCATION---</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2024	BEET	2,000,000	71014	AGROMAC INTERNATIONAL GERING, NE	THE WESTERN SUGAR CO. GARY ENGLAND 303-813-3528
2025	BEET	2,000,000	71023	AMER. CRYSTAL SUGAR CO. HILLSBORO, ND	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2026	BEET	2,000,000	71004	MONITOR SUGAR BAY CITY, MI	MONITOR SUGAR CO. JERRY COLEMAN 517-686-0161
2027	BEET	2,000,000	71024	AMER. CRYSTAL SUGAR CO. DRAYTON, ND	UNITED SUGARS CORP MIKE FISHER 952-896-0410
2028	REF CANE	2,000,000	71034	HOLLY SUGAR HEREFORD, TX	IMPERIAL SUGAR PETER CARROTHERS 281-491-9181

EXHIBIT G - TOTAL 10,000,000 POUNDS

**EXHIBIT H
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>---STORAGE LOCATION---</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2029	BEET	1,000,000	71055	MURPHY WHSE CO. FRIDLEY, MN	UNITED SUGARS CORP. MIKE FISHER 952-896-0410
2030	BEET	1,000,000	71060	SCOTTSBLUFF FACTORY SCOTTSBLUFF, NE	THE WESTERN SUGAR CO. GARY ENGLAND 303-813-3528
2031	BEET	500,000	71061	BAYARD FACTORY BAYARD, NE	THE WESTERN SUGAR CO. GARY ENGLAND 303-813-3528
2032	REF CANE	200,000	71008	COLONIAL SUGAR GRAMERCY, LA	IMPERIAL SUGAR PETER CARROTHERS 281-491-9181

EXHIBIT H - TOTAL 2,700,000 POUNDS

**EXHIBIT I
USDA - FSA
SUGAR CATALOG**

<u>LOT NUMBER</u>	<u>TYPE</u>	<u>QUANTITY (POUNDS)</u>	<u>---STORAGE LOCATION---</u>		<u>---PCSA CONTRACTOR---</u>
			<u>CODE</u>	<u>NAME & ADDRESS</u>	<u>NAME, CONTACT & PHONE</u>
2033	BEET	2,000,000	71004	MONITOR SUGAR BAY CITY, MI	MONITOR SUGAR CO. JERRY COLEMAN 517-686-0161
2034	BEET	2,000,000	71016	MASON CITY DIST CENTER MASON CITY, IA	UNITED SUGARS CORP MIKE FISHER 952-896-0410
2035	BEET	1,500,000	71013	WAGNER INDUSTRIES N. KANSAS CITY, MO	WESTERN SUGAR CO. GARY ENGLAND 303-813-3528
2036	REF CANE	2,000,000	71034	HOLLY SUGAR HEREFORD, TX	IMPERIAL SUGAR PETER CARROTHERS 281-491-9181

EXHIBIT I - TOTAL 7,500,000 POUNDS
